

LEHIGH FEELS THE PINCH

TAXED HIGH AND REGULATED MUCH IN A BAD YEAR.

Had to suspend extensive improvements that were under way and at that time out with a decreased surplus—effect of heavy and ill advised laws.

The annual report of the Lehigh Valley Railroad Company, made public yesterday, for the year ended June 30 shows that the gross operating revenue was \$5,510,104, a decrease of \$112,287 as compared with the previous year, and the net operating revenue was \$2,208,705, an increase of \$236,374, leaving a net operating revenue of \$13,800,440, a decrease of \$247,698. The surplus for the year was \$5,595,310, a decrease of \$249,643. Holders of the preferred stock received two semi-annual dividends of 5 per cent, each and holders of the common stock semi-annual dividends of 2 per cent, each and two extra dividends of 1 per cent, each.

Under the head of general expenses there was an increase of \$58,079, which was due, President E. B. Thomas said, to compliance with the recent State and Federal laws which have "made necessary additional clerical forces for the preparation of reports and the handling of communications with commissions, as well as increased expenditures for legal advice in interpreting many of the laws and passing on questions incidental thereto." In his general remarks President Thomas said:

The operation of the company, in connection with that of other railroads, has been subjected to many adverse circumstances during the year. The depression in the general business of the country that occurred at the end of the calendar year 1907, and which has since continued, seriously affected the revenues of the company and necessitated the suspension of all additions and betterments not required in the immediate conduct of its business. These improvements had been planned and were being prosecuted on an extensive scale prior to that time. Withstanding this, the property has been well maintained and is in excellent physical condition. The new classification of revenues and expenses promulgated by the Interstate Commerce Commission, effective July 1, 1907, destroyed in some measure, at a time when most needed, the comparison of operations with previous years. In fact to this radical departure in railroad accounting, as ordered by the Government, may be attributed the principal if not the entire reason for the increase shown in the operating expenses over the previous year.

Further serious factors in the expense operation are the higher rates of wages paid employees, and which are still in effect, and the shorter hours of work. In addition, the tendency of recent laws, both national and State, many of which have been hastily enacted and ill advised, has been in the direction of transferring to commissions much of the authority over accounting and operating methods heretofore exercised by executive officers. These laws necessarily weaken that administration of the property which is so necessary to produce the high efficiency required for economical and safe operation and in the end cannot but result in a less than satisfactory and unfortunate result.

The total expense of maintenance of equipment was \$3,867,410, a decrease of \$108,183 from the year before. "This shows a decrease in the expense of maintenance in the year past and the fact that much of the equipment was idle the latter part of the year, and it is not been that owing to the operation of the Interstate Commerce Commission providing for a uniform depreciation of equipment, the sum of \$635,844 was charged to operating expenses and set upon the books as an equipment replacement reserve."

The report says that the taxes during the year amounted to \$1,122,887, an increase of \$9,755 over the year before. The only financial success during the year was the sale of 4 1/2 per cent, equipment trust mortgage amounting to \$5,000,000 to pay for 5,000 steel cars ordered when business was heavy. There were no issues of new bonds or stocks.

The net earnings of the Lehigh Valley Railroad Company were \$2,208,705, an increase of \$236,374 over the year before. The production was 3,263,909 tons, an increase of 36,444 tons.

BROWN AND YOUNG EXPELLED

After Election New Rules Against Fictitious Stock Sales May Come.

The expulsion of Albert O. Brown and Lewis Ginter Young, the two board members of the bankrupt Stock Exchange firm of A. O. Brown & Co., was announced yesterday morning from the rostrum of the Stock Exchange by President R. H. Thomas. He said that the charges were "gross and unbecomingly untrue" and that the expulsion was based on the fact that the two men had been guilty of "gross and unbecomingly untrue" charges.

While the expulsion created no surprise, it was expected that the two men would be expelled. The charges were "gross and unbecomingly untrue" and that the expulsion was based on the fact that the two men had been guilty of "gross and unbecomingly untrue" charges.

It is known that many of the forty members of the governing committee advanced making a statement about what the board proposes to do about a revision of the rules, but that was finally decided upon considering the matter and when some decision has been reached after action to announce the fact.

WESTINGHOUSE PLAN ADOPTED

Subject to the Securing of More Subscriptions and Assets.

The readjustment committee of the Westinghouse Electric and Manufacturing Company, which has been in session for two days at the office of John L. Karkhanavich, counsel for the committee, ended its conference yesterday and authorized a statement that the committee has adopted substantially the so-called merchant creditors' plan, notwithstanding the fact that the cash subscriptions to the new financing of \$6,000,000 contemplated in such plan do not at this time exceed \$4,500,000 and although the assets of the company are estimated to be \$10,000,000, a considerable amount of the bank debt and portion of the merchandise debt still remains to be secured.

The committee announced that this plan is not a distinct understanding that the plan will not be carried out unless the full \$6,000,000 of cash subscriptions and the assets of the bank creditors are in hand by October 27. The formal announcement of the plan and its terms will be made early next week.

GOSSIP OF WALL STREET.

"And," said the man who is given to making unpleasant remarks, "only a couple of weeks ago they told us we were going to have the quietest Presidential campaign on record."

Last summer when Wall Street began to recognize the fact that it must be either Taft or Roosevelt there were many who believed that it would be Taft and Roosevelt—that the latter would be longer the occupant of the White House, would wield the greatest political influence in the land. But, as it turned out, Mr. Roosevelt, who was vigorously opposed, was really about to quit. Now in the heat of the campaign the President is completely overshadowed by the President-elect in the shadow. Derisive laughter is the usual reply to the query of the simple one who asks who will be the boss of the next Administration, the Republicans or the Democrats. This does not conduce to a happy frame of mind in the financial, industrial or commercial circles, and the fact affords at least partial explanation of what has happened in the market recently.

A number of the largest houses in the Street have been comparing notes with a view to ascertaining the sources of the selling of the Hill stock. The results have not been paid for the effort. The deliveries of the stocks have not indicated anything. No significant names have been found, and the selling instead of coming from one quarter appears to be from the most miscellaneous sources. The stories of liquidation of a large estate have not been sustained, nor has anything been disclosed to indicate that there is any truth whatever in the rumors of dissatisfaction among the members of the Hill family. "Old guard." There is a suspicion that some of the British holders, whose tenacity has long been a bulwark of strength in these stocks, are letting go, but the houses which might naturally be expected to handle such a sale, as no evidence of any kind like it. The question first on the tongue of nine-tenths of those who do business in Wall Street has not yet elicited a plausible answer.

Bankers admit that conditions in England are very unsatisfactory. Some of them even intimate that matters there are approaching a crisis, but they do not see why that should create a greater selling of stocks than of other except in the sense that the foreign holdings of those are relatively much larger than of the Harriman issues or the Eastern lines. The list of stockholders of Great Northern and Northern Pacific, for instance, is said to "look like a list from the 'Pease'." (The names of Viscounts, Earls, Dukes and at least one H. R. H.)

The expulsion of the board members of the failed firm of A. O. Brown & Co. shows that the Stock Exchange means to keep up its reputation for integrity and fair dealing. Another story is that of Saturday, August 22, will not be seen again. There may be another "Brown" in the future, but never another "Brown" Saturday.

Yesterday's market proved nothing, although it called attention to the immutable law of action and reaction. The reaction was due and had to come. Prices had dropped down to hard that the rebound could hardly fail to be considerable. It was not the time for the reaction, but the decline should come on any particular day of the week, but there are many traders who have noted the frequency with which reactions occur either on Tuesday or on Thursday and who are more willing to play on one of either of these days than on any other. They threw in their lot with those working for an advance and helped along the rise. They fairly whooped things up. They made such a noise that the bears, not knowing what was after them and having neither the courage to charge to the rescue nor the other, took the shortest and safest road to safety by covering their outstanding shorts.

Union Pacific and Southern Pacific, led the rise. The role was not a new one, they had played it in many times before and were well broken in to the part. There were a few other performers which achieved considerable success. Big interest—some of the general list rendered only indifferent support to the leaders. At the end of the show the spectators went away with sentiments very much mixed.

"There is no mystery about this recovery in the Harriman stocks," said an experienced operator. "If one bears in mind what has been going on all summer. The whole picture is plain. Big interest—some of the largest in the Street—have been gathering in these stocks. They have them now and are able to carry them. If the boys over here sell so much as to make it worth while to start a covering movement the owners of the stocks will want to know what we have just witnessed. I do not suppose the whole thing is done for fun. Incidentally there is some fun in it. What the men who are running the game hope to get out of it besides fun I do not know, but they are not going to play with them against them. Some day they may sell so much stock that they will lose control of the market movements in their favorite stocks, but any close observer can see that they have not lost it yet. If they do, I might want to know more than I do now, but being a speculator I am satisfied with what I see. We should not find fault when other people make money for us."

A violent upbidding of prices has often been injected into a bear market. There have been intervals in prolonged declines when stocks looked like going through the roof, but they did not go. Such rallies have their value as they afford a basis for renewed liquidation after the market has got into a state in which it could absorb little if any more. The short interest is forced to do the most of the buying that gives the strength.

Traders ceased to talk of the cutting of dividends and reverted to the more pleasing topic of the currency and the gold. The subject was a large one. A large measure was talked of, but no one believed that a distribution would be made in the near future. Meanwhile the dividend on the industrial stock was reduced, and in some quarters it was intimated that the dividend on another might be passed.

NATIONAL BANKS REPAID

Oklahoma to Pay Back Money Put Up as Deposit On Notice.

OUTBURST, Okla., Sept. 24.—The State Banking Board has voted to return the assessments to the national banks that sought to take advantage of the bank's guaranty law, but were prevented from doing so by the ruling of the Attorney-General. The resolution adopted by the board stated that the expense of administering the guaranty law has been covered by the income from it.

Forty-seven national banks entered under the guaranty plan, but between fifteen and twenty have been converted into State banks, leaving about thirty that will be affected by the resolution just adopted.

Arrangements were made yesterday afternoon for the shipment of \$2,000,000 gold to Canada. Of this amount the Royal Bank of Canada will send \$1,600,000 from New York.

Court Calendar This Day. Supreme Court—Appellate Division—Recess. Supreme Court—Special Term—Part I.—12.10.11.12.13.14.15.16.17.18.19.20.21.22.23.24.25.26.27.28.29.30.31.32.33.34.35.36.37.38.39.40.41.42.43.44.45.46.47.48.49.50.51.52.53.54.55.56.57.58.59.60.61.62.63.64.65.66.67.68.69.70.71.72.73.74.75.76.77.78.79.80.81.82.83.84.85.86.87.88.89.90.91.92.93.94.95.96.97.98.99.100.101.102.103.104.105.106.107.108.109.110.111.112.113.114.115.116.117.118.119.120.121.122.123.124.125.126.127.128.129.130.131.132.133.134.135.136.137.138.139.140.141.142.143.144.145.146.147.148.149.150.151.152.153.154.155.156.157.158.159.160.161.162.163.164.165.166.167.168.169.170.171.172.173.174.175.176.177.178.179.180.181.182.183.184.185.186.187.188.189.190.191.192.193.194.195.196.197.198.199.200.201.202.203.204.205.206.207.208.209.210.211.212.213.214.215.216.217.218.219.220.221.222.223.224.225.226.227.228.229.230.231.232.233.234.235.236.237.238.239.240.241.242.243.244.245.246.247.248.249.250.251.252.253.254.255.256.257.258.259.260.261.262.263.264.265.266.267.268.269.270.271.272.273.274.275.276.277.278.279.280.281.282.283.284.285.286.287.288.289.290.291.292.293.294.295.296.297.298.299.300.301.302.303.304.305.306.307.308.309.310.311.312.313.314.315.316.317.318.319.320.321.322.323.324.325.326.327.328.329.330.331.332.333.334.335.336.337.338.339.340.341.342.343.344.345.346.347.348.349.350.351.352.353.354.355.356.357.358.359.360.361.362.363.364.365.366.367.368.369.370.371.372.373.374.375.376.377.378.379.380.381.382.383.384.385.386.387.388.389.390.391.392.393.394.395.396.397.398.399.400.401.402.403.404.405.406.407.408.409.410.411.412.413.414.415.416.417.418.419.420.421.422.423.424.425.426.427.428.429.430.431.432.433.434.435.436.437.438.439.440.441.442.443.444.445.446.447.448.449.450.451.452.453.454.455.456.457.458.459.460.461.462.463.464.465.466.467.468.469.470.471.472.473.474.475.476.477.478.479.480.481.482.483.484.485.486.487.488.489.490.491.492.493.494.495.496.497.498.499.500.501.502.503.504.505.506.507.508.509.510.511.512.513.514.515.516.517.518.519.520.521.522.523.524.525.526.527.528.529.530.531.532.533.534.535.536.537.538.539.540.541.542.543.544.545.546.547.548.549.550.551.552.553.554.555.556.557.558.559.560.561.562.563.564.565.566.567.568.569.570.571.572.573.574.575.576.577.578.579.580.581.582.583.584.585.586.587.588.589.590.591.592.593.594.595.596.597.598.599.600.601.602.603.604.605.606.607.608.609.610.611.612.613.614.615.616.617.618.619.620.621.622.623.624.625.626.627.628.629.630.631.632.633.634.635.636.637.638.639.640.641.642.643.644.645.646.647.648.649.650.651.652.653.654.655.656.657.658.659.660.661.662.663.664.665.666.667.668.669.670.671.672.673.674.675.676.677.678.679.680.681.682.683.684.685.686.687.688.689.690.691.692.693.694.695.696.697.698.699.700.701.702.703.704.705.706.707.708.709.710.711.712.713.714.715.716.717.718.719.720.721.722.723.724.725.726.727.728.729.730.731.732.733.734.735.736.737.738.739.740.741.742.743.744.745.746.747.748.749.750.751.752.753.754.755.756.757.758.759.760.761.762.763.764.765.766.767.768.769.770.771.772.773.774.775.776.777.778.779.780.781.782.783.784.785.786.787.788.789.790.791.792.793.794.795.796.797.798.799.800.801.802.803.804.805.806.807.808.809.810.811.812.813.814.815.816.817.818.819.820.821.822.823.824.825.826.827.828.829.830.831.832.833.834.835.836.837.838.839.840.841.842.843.844.845.846.847.848.849.850.851.852.853.854.855.856.857.858.859.860.861.862.863.864.865.866.867.868.869.870.871.872.873.874.875.876.877.878.879.880.881.882.883.884.885.886.887.888.889.890.891.892.893.894.895.896.897.898.899.900.901.902.903.904.905.906.907.908.909.910.911.912.913.914.915.916.917.918.919.920.921.922.923.924.925.926.927.928.929.930.931.932.933.934.935.936.937.938.939.940.941.942.943.944.945.946.947.948.949.950.951.952.953.954.955.956.957.958.959.960.961.962.963.964.965.966.967.968.969.970.971.972.973.974.975.976.977.978.979.980.981.982.983.984.985.986.987.988.989.990.991.992.993.994.995.996.997.998.999.1000.1001.1002.1003.1004.1005.1006.1007.1008.1009.1010.1011.1012.1013.1014.1015.1016.1017.1018.1019.1020.1021.1022.1023.1024.1025.1026.1027.1028.1029.1030.1031.1032.1033.1034.1035.1036.1037.1038.1039.1040.1041.1042.1043.1044.1045.1046.1047.1048.1049.1050.1051.1052.1053.1054.1055.1056.1057.1058.1059.1060.1061.1062.1063.1064.1065.1066.1067.1068.1069.1070.1071.1072.1073.1074.1075.1076.1077.1078.1079.1080.1081.1082.1083.1084.1085.1086.1087.1088.1089.1090.1091.1092.1093.1094.1095.1096.1097.1098.1099.1100.1101.1102.1103.1104.1105.1106.1107.1108.1109.1110.1111.1112.1113.1114.1115.1116.1117.1118.1119.1120.1121.1122.1123.1124.1125.1126.1127.1128.1129.1130.1131.1132.1133.1134.1135.1136.1137.1138.1139.1140.1141.1142.1143.1144.1145.1146.1147.1148.1149.1150.1151.1152.1153.1154.1155.1156.1157.1158.1159.1160.1161.1162.1163.1164.1165.1166.1167.1168.1169.1170.1171.1172.1173.1174.1175.1176.1177.1178.1179.1180.1181.1182.1183.1184.1185.1186.1187.1188.1189.1190.1191.1192.1193.1194.1195.1196.1197.1198.1199.1200.1201.1202.1203.1204.1205.1206.1207.1208.1209.1210.1211.1212.1213.1214.1215.1216.1217.1218.1219.1220.1221.1222.1223.1224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